

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

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May 4, 2004

FROM: JAMES A. FELTEN, Public Health Director
Department of Public Health

SUBJECT: ACCEPTANCE OF CREDIT CARDS BY DEPARTMENT OF PUBLIC HEALTH

RECOMMENDATIONS:

1. Authorize the Department of Public Health to accept credit card payments for services provided by the Animal Care and Control Division.
2. Authorize the Auditor/Controller-Recorder to establish merchant accounts and make the necessary arrangements for the Department of Public Health to accept credit card payments.

BACKGROUND: The Department of Public Health (DPH) desires to provide an alternative method for residents to pay license and permit fees by adding the capability for residents to charge the transaction to a credit card. This will allow greater convenience and incentive to the public for compliance with ordinances, fees, and animal adoptions.

Initially the Department intends to accept credit cards over the counter for payments for some services within the Animal Care and Control Division (ACC). Types of ACC services that could be paid via credit card include animal license, adoption, redemption, and vaccination fees. Providing credit card payment options in other DPH Divisions and by phone, mail and Internet may be added at a later date, subject to approval by the Board of Supervisors.

Current Situation:

Current technology enables most financial transactions to take place electronically with less error and more accurate record keeping. Increased security measures have resulted in this alternative method of payment becoming increasingly popular over the last few years. DPH's goal is to offer better customer service by providing an integrated, secure credit card payment process.

ACC receipts approximately \$1.25 million annually, in the form of cash or checks for payment of animal license, adoption, redemption, and vaccination fees. Currently residents are limited to making payments either in person at one of the local DPH offices or by mail.

ACC estimates approximately one-fourth of the payment transactions processed annually for animal license, adoption, redemption, and vaccination fees will be paid with credit cards. Having the means to accept payments in this manner would allow ACC to improve customer service by providing residents additional payment options.

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Benefits to be Realized:

ACC expects increased license law compliance by offering this additional payment option. It is also expected that ACC will increase revenue in the area of adoptions as the use of credit cards for payment will allow residents visiting shelters to select an animal and pay the necessary fees on the spot. An increase in the adoption rate would also result in a reduction in costs for ACC, as shelter costs would be reduced across the board. Additionally, the number of animals euthanized and the associated cost would decrease.

Also, when loose animals are apprehended, owners sometimes do not reclaim them, as they do not have the necessary funds to pay the apprehension fees. The ability to pay with a credit card will enable more pets to be returned to their owners therefore reducing the shelter costs involved with holding owned pets.

Keeping up with current technology by utilizing this additional method of payment will reduce the amount of delinquent fees issued. Frequently, residents mail in their license fees but they do not arrive at the County prior to the delinquent fee being charged and then ACC must go thru a manual process for collecting or waiving the delinquent portion of the license fee.

In addition to providing additional payment options, the use of credit cards is easy and convenient and provides added security for residents that prefer not to carry cash for financial transactions. Electronic payment options provide detailed record keeping and reduced transaction errors therefore reducing costs to the County by eliminating the need to make manual corrections.

DPH will review the ACC credit card payment process continually and analyze the usability of convenience payments by mail, phone and Internet for other Divisions within DPH.

REVIEW BY OTHERS: This item has been reviewed by County Counsel (Scott Runyan, Deputy County Counsel (909) 387-9022) on April 21, 2004; Auditor-Controller/Recorder (Kathy Kirkhofer, Manager (909) 386-8877) on April 19, 2004. This item has also been reviewed by the County Administrative Office (Beatriz Valdez, Administrative Analyst (909) 388-0211) on April 22, 2004.

FINANCIAL IMPACT: ACC will absorb the cost of the merchant fees at a cost of approximately \$9,000 per year. It is anticipated that increased revenue resulting from more adoptions, more returns to owners, and higher license law compliance will offset these costs.

COST REDUCTION REVIEW: The County Administrative Office has reviewed this agenda item and recommends approval since all expenditures, including administrative costs, will be recovered through increased compliance with payment of fees.

SUPERVISORIAL DISTRICT(S): All

PRESENTER: James A. Felten, Public Health Director (909) 387-9146